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# **Statement of Federal Financial Accounting Standard Number 4**

## **Imputed Costs**

**Presented at:**

**1<sup>st</sup> Quarter 2005 Lessons Learned  
Conference**

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# Outline

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- What is the Federal Accounting Standards Advisory Board (FASAB)?
- What Are Imputed Costs?
- Statement of Federal Financial Accounting Standard Number 4
- Interpretation Number 6
- What Do I Do Now?

# Federal Accounting Standards Advisory Board (FASAB)

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## Mission:

To promulgate federal accounting standards after considering the financial and budgetary information needs of citizens, congressional oversight groups, executive agencies, and the needs of other users of federal financial information.



# Imputed Costs

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Definition:

Imputed costs are unreimbursed goods and/or services provided by one entity to another.



# Statement of Federal Financial Accounting Standard Number 4

- Often Called the “Full Costing Standard”
- Requires that Entities Recognize the Full Cost of Doing Business by Recognizing Imputed Costs
- Encourages Formalized Agreements and Reimbursement to Eliminate Imputed Costs Where Possible
- Entity Providing Unreimbursed Goods/Services has Responsibility to Provide Imputed Cost Information
- Allows for Estimation by Recipients if Providers Do not Provide Information
- Limits Recognition to Material Items That:
  - Are Significant to Receiving Entity
  - Form an Integral Part of the Entity’s Output
  - Can be Identified or Matched to that Entity



# Interpretation Number 6

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- Delays Full Implementation of SFFAS 4
  - FY 2008 for Inter-entity Costs (DoD to non-DoD)
  - Requires Full Implementation in FY 2005 for Intra-entity Costs (Within DoD)



# What Do I Do Now?

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- Respond to OUSD(C) Data Call
- Cooperate with Other Entities When Assistance is Requested
- Await OUSD(C) Guidance
- Due Date for Data Call is March 31, 2005
- Target Date for Guidance is May 31, 2005